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ON ABOLISHING THE TAX SYSTEM

WORKING PEOPLE OF THE WHOLE WORLD, UNITE!

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A Law Adopted by the Fifth Supreme People's Assembly of the Democratic People's Republic of Korea at Its Third Session

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It is the noble revolutionary duty of communists and a fundamental principle which the working-class party and state must adhere to in the revolution and construction to free the people from every kind of exploitation and oppression for all time and provide them with material well-being and a cultured life.

The revolutionary struggle and construction work are undertakings for the people so that they can free themselves from all fetters and enjoy an independent and creative life as masters of nature and society.

After liberation, our Party which is guided solely by the great Juche idea, freed our people from exploitation and oppression for all time by leading the anti-imperialist, anti-feudal democratic revolution and socialist revolution to victory.

Thanks to the correct policy and wise leadership of our Party and the Government of our Republic, the three revolutions–ideological, technological and cultural–to free the working people from all natural and social fetters for ever, are developing in depth in our country, and the historic task of eliminating the vestiges of the former society is being carried out successfully.

To abolish the tax system is a revolution to free the working people from these vestiges and a great change to meet the centuries-old desire of the people.

The system of taxation, which came into being with the emergence of the state, has been used in a class society for thousands of years as a means of preserving the ruling machine of the governing classes and plundering the working people.

In the old days it was an instrument for exploiting our people. In particular, the colonial tax system imposed upon them by the

Japanese imperialists was the most brutal and murderous system, unprecedented in history. Our people cursed it and resented it.

Our people were opposed to heavy taxation for ages in the exploiter society. They fought ceaselessly, particularly against the predatory tax system under Japanese imperialist colonial rule. But their struggle did not succeed, in the final analysis, because it was not linked with the political struggle to seize power.

It was not until our revolution was guided by the Juche idea that this fight became a part of the revolutionary struggle against imperialism and the exploiting system and went on towards the radical solution of the tax problem.

During the glorious anti-Japanese revolutionary struggle the Korean communists fought in support of the revolutionary and people-oriented tax policy laid down in the Ten-Point Programme of the Association for the Restoration of the Fatherland, and they set a brilliant example in implementing the tax policy in the anti-Japanese guerrilla base, the liberated area.

Our Party and people's government abolished the predatory tax system of the Japanese imperialists and established a people-oriented, democratic tax system by implementing the Juche-oriented tax policy which was formulated in the days of the anti-Japanese revolutionary struggle and detailed in the Twenty-Point Platform after liberation.

The new, people-oriented taxation played a big role in laying the foundation of the independent national economy by rehabilitating and developing the destroyed economy, and also in accelerating the socialist reorganization of the relations of production in urban and rural communities and promoting the well-being of the people.

The Government of our Republic made effective use of the state tax revenue as a supplementary source of funds for economic construction and cultural development, while at the

same time systematically lightening the tax burden on the people as the foundation of the independent national economy was consolidated.

As the socialist reorganization of the relations of production was completed and as the foundation of socialist industrialization was consolidated in our country, the question of abolishing the tax system became the order of the day.

As the conditions and possibilities for the abolition of taxation matured, the Government of our Republic first took measures to abolish the agricultural tax in kind during the period between 1964 and 1966.

This was a historic step to free our farmers from the tax burden completely in accordance with the Theses on the Socialist Rural Question in Our Country. It was also a radical step to strengthen the worker-peasant alliance and consolidate the economic foundations of cooperative farms and increase the farmers' real income quickly.

With the abolition of the agricultural tax in kind, only income tax and local self-government tax remained in our country, and these taxes accounted for a negligible portion of the state revenue.

Since the socialist system in our country has been further consolidated and developed, and since the strength of the independent national economy has increased incomparably, it is time to abolish all taxes.

In view of the urgent need for socio-economic progress, the Eighth Plenary Meeting of the Fifth Central Committee of the Workers' Party of Korea discussed the matter and decided to abolish the tax system, a vestige of the old society.

In this way the people's dream to live in a tax-free society has come true, and ours has become the first tax-free country in the world.

In a socialist society it accords with the law of social progress to abolish the tax system, a legacy of the old society.

Under the socialist system, the socialist state and cooperative economies constitute the economic foundations of the state, and the unity and cooperation of the working people is basic to social relations. The social and economic relations in a socialist society are the basis on which to reduce the tax burden on the people systematically and, finally, abolish it.

The tax system in a socialist society is no more than an auxiliary source of funds to meet the needs of the state and society for a certain period, and as such it is utilized as a supplementary means to adjust differences in the people's standards of living.

The abolition of taxation in our country is based on the advantages of our socialist system and accords completely with the law of development of this system.

The major advantage of our socialist system which fully incorporates the great idea of Juche in itself, lies in the fact that the state is completely responsible for the material and cultural lives of the workers, farmers and other working people.

Under our socialist system all the working people not only receive distributions according to the quality and quantity of work done but also enormous benefits from the state: they are provided with all basic living conditions ranging from food, clothing, housing, the education of their children, medical treatment and working conditions to recreation facilities.

The state benefits given to the working people are a bud of communist distribution which is developing in our country steadily. They ensure equal improvement in the working people's living standards and provide them with happy lives free from care.

Under our socialist system where the state can finance the

revolution and construction on the strength of the income from the socialist economic sector and can afford to spend a large sum of money to look after the people in a responsible manner, it has become unnecessary to collect taxes from the people as an auxiliary means of meeting the needs of the state and society for funds.

Under our socialist system where the exploiting classes were liquidated a long time ago, and where all the working people are equally well-off without any great difference in their standards of living, it is unnecessary to keep the tax system any longer, the system which serves as a means to adjust the income of the people on an equitable basis.

Our socialist working people who armed themselves with the great idea of Juche and who have become masters of the revolution and construction under our socialist system, are taking part conscientiously in all state affairs, regarding them as their personal concern.

To our working people who are acquitting themselves well in their solemn duty to the socialist fatherland, as the masters of the state and society, displaying a high degree of revolutionary awareness and voluntary enthusiasm, it has become unnecessary to retain taxation, a legacy of the old society, as their civil duty to the state.

Our powerful socialist, independent, national economy is a solid material guarantee for abolishing the tax system.

Under the wise leadership of the Party, our people have built a powerful socialist, independent, national economy in a short period of their history by carrying out the policy of building an independent national economy successfully under the revolutionary banner of self-reliance.

Today our Juche-oriented industry has become a comprehensive, independent and modern industry which has

been equipped with up-to-date techniques, and depends on solid raw-material production centres of its own. The irrigation and electrification of our agriculture have been completed, and our rural economy has become an advanced socialist agriculture which is run with the help of machines and chemicals.

Our independent national economy is standing on its own feet, developing steadily and rapidly, unaffected by worldwide economic fluctuations and crises, and our socialist state finance which is based on this economy is becoming more solid.

The powerful, independent national economy and solid financial basis in our country enabled us to take important measures to reduce prices of industrial goods sharply and even to abolish taxes for the well-being of the people, while carrying on the enormous projects for the building of socialism, continuing to make great efforts for social and cultural measures and strengthening national defence to make it more impregnable.

The abolition of the tax system in our country is the brilliant victory of the great Juche idea as well as a demonstration of the incomparable advantages of our socialist system which is the embodiment of the Juche idea and the great capability of our socialist independent national economy.

Thanks to the immortal Juche idea and its brilliant victory, our people are being provided with a richer, independent and creative life in the socialist land of happiness, where there is no exploitation, oppression or taxation.

The epochal, people-oriented measure taken by our Party and the Government of our Republic to abolish taxes for all time will further encourage our working class and the rest of the masses to the great struggle for the enormous socialist construction, the struggle to implement the magnificent programme of the Six-Year Plan ahead of schedule and to reach a higher eminence of socialism, and will inspire them to heroic feats.

The abolition of the tax system will give greater hope and confidence to the south Korean people who are fighting resolutely for democratic freedom, for the right to survive and for the country's independent and peaceful reunification, in spite of unprecedented fascist repression.

In accordance with the provisions of Article 33, the Socialist Constitution of the Democratic People's Republic of Korea, the Supreme People's Assembly of the DPRK decides:

1. The tax system, a vestige of the old society, shall be abolished completely,

2. The Administration Council of the DPRK shall take measures to implement this law, and

3. The law shall be effective from April 1, 1974.